



Strategic Plan Update

Efficiencies & Accomplishments

Utility Select Committee
May 12, 2014

www.seattle.gov/light/strategic-plan

2013-2018 Strategic Plan

What have we accomplished in 2013?

Baseline, Initiatives and Efficiency Achievement

THE PLAN IS ALREADY PRODUCING SUCCESS

- Bond Rating Upgrade
- Debt Service Reduction
- Solid 2013 Financial Results

BASELINE (Progress Report)

The Strategic Plan identified 22 baseline assumptions which underpin the utility's ability to deliver current service levels to its customers.

The four pillars that these fall under are:

- Power Supply and Environment
- Reliability
- Customer Service
- Infrastructure and Support

In 2013, the utility did well by delivering on all 22 baseline assumptions, meeting or exceeding 20 of the metrics.

BASELINE (Examples of Success)

Improved Reliability

- Achieved average of less than 1 outage per customer during 2013 (beat goal).

Improved First Hill Infrastructure

- Completed upgrade of feeder serving First Hill hospitals to improve capacity and reliability.

Streetlights

- Exceeded goal of responding to 90% of streetlight reports within 10 business days.

Boundary Relicense

- New FERC license secures low-cost clean resource until 2055.

Unit 55 Rewind

- Improved generating capacity of 15% increases revenue by about \$2.5 million annually under normal hydro conditions.

BASELINE SUCCESS EXAMPLE 1

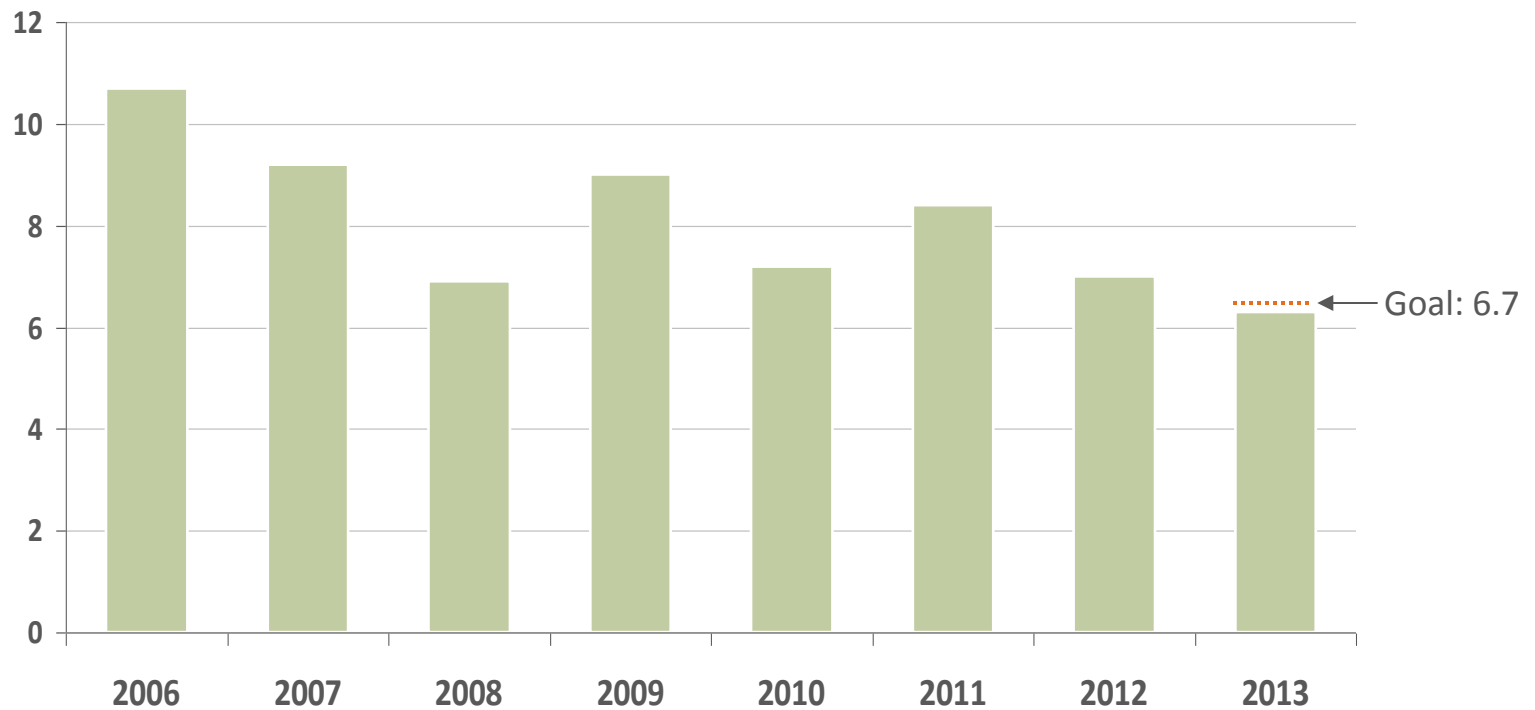
Upgrade of feeder 2750 improves capacity and reliability to First Hill



BASELINE SUCCESS EXAMPLE 2

Safety

We are well on our way to exceeding our goal for safety incidents (TRR) in 2013



EFFICIENCIES

Efficiencies	Proposed Annual Savings by 2015	Annual Savings Achieved in 2013
Revised transmission, distribution, and generation practices	\$15,000,000	\$1,874,611
Modified cost allocation and service level agreements	\$360,000	\$399,000
Improved work process (billing, credit/collection, procurement, fleet management, street use permitting, project mgt, online security)	\$2,640,000	\$2,893,849
One-time revenue and savings (real estate sales, Northwest refund, BPA Power Factor refund)		\$4,321,610
New Sustainable Savings (BPA Power Factor reduction, Power Management Slice solution)		\$379,000
TOTAL	\$18,000,000	\$9,868,070

INITIATIVES

2013 Initiative Status	
Complete	1
On-Track	18
Temporarily Delayed	12
Over Budget or Scope	2
Not Started	3
Total	36

Solid progress continues with the Strategic Plan Initiatives.

- See handout.